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Dear valued investor,

With the S&P currently down about 5% from its recent high, we are now ready to contemplate a return to the Egyptian Stock Market.

During the previous six months or so, the market has been in a rally which was hard to identify. We could not tell if it was a short bear market rally or a return to growth. The strongest historical precedent of a short bear market rally was during the great depression. In September 1929, the Dow Jones reached a high of 381.17 only to drop within two months to a low of 198.69 then it appreciated to a high of 294.07 in 1930 (an appreciation of almost 50% in value). That was a short bear market rally that preceded the market collapsing to a low of 41.22 in 1932.

Today, we are seeing enough indications in the market that this is not another short bear market rally and we can rule out the possibility of another great depression. We believe that intervention programs passed during the previous period by governments of the world (especially the U.S. government with intervention programs that amount up to US$ 11.3 trillion, please see the attached file), have caused a stabilizing effect to the economy which will lead to one of two scenarios:

1- Slow recovery that will take us back to previous market highs (in the U.S.) within 3 to 4 years.

2- Increased market volatility that entails fast, consecutive bubble/burst cycles which will end by a stabilization phase before return to normal growth. Right now, it seems we are in the very beginning of a bubble cycle.

We believe the latter scenario is more realistic, nevertheless, as we always do, we keep in mind that the best market analyst is one who recognizes that he is fallible and keeps his safety valves intact. Our best investment strategy remains the fact that, in each trade we enter, we have our exit strategy put in place before entering the position, be it on the winning or losing side, our strategy is followed almost mechanically to ensure objectivity of the decision making process. This has led us to keep a perfect balance between minimizing losses in bad times and maximizing profits in good times.

To benefit from this next cycle we ask that you have your account in place and funded within the next week. We will start acquiring positions in selective companies as soon as this correction is over and the market starts showing strong signs of recovery. Once we start taking new positions, we

15 El Messaha St, Dokki, Giza, Egypt. Postal Code 12311 | Tel: (+202) 3337 2728 Fax: (+202) 3336 1349
www.andaluciagroup.com

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will not be accepting any new clients nor funds until the next buying opportunity arises, which we believe will not happen before Q2-2010.

If you have any questions I will be delighted to answer them, please feel free to contact me anytime at: +20 12 210 7789

Thank you and best regards,

Mohamed El Hawary
Managing Director
Andalucia Financial Consultancy and Investment
Address: 15 El Messaha St. - Dokki - Giza - Egypt - Postal Code 12311
Tel: +20 2 3337 2728
+20 18 210 7789
Fax: +20 2 3336 1349
email: mohamed.hawary@andaluciafinancial.com
website: www.andaluciafinancial.com